



ECON NOTES

June, 2015

Econ Development: Creating a Sense of Community

Creating a sense of Community is essential for economic development. I want to begin recognizing those Chamber Members who promote community through works and effort in addition to creating jobs. They invest in the community.

Novant Health is one of those companies. In 2010 they spent more than 1.5 million to create a recreational venue, Village Point Lake. More recently, through their efforts, they spear headed the effort to obtain a \$1.9 million dollar grant for the Village of Clemmons and added an equal amount bringing the total to \$3.8 Million to complete the connector road from Lewisville-Clemmons to Morgan School. This connector will serve as a catalyst for economic development, relieving congestion on Lewisville-Clemmons Road north of I-40 and provide a direct route for emergency service vehicles to the new Novant Health Clemmons Medical Center. The phase 2 plans expands the campus to a full-service hospital by adding inpatient beds and up to three additional operating becoming part of a new health care delivery model for the community.

They are also regular sponsors for Clemmons Community Day.

Trade Area Report:

The demographic segment shown her can help you understand the lifestyles and life stages of consumers in the 'Clemmons Market. Data provider Esri classifies U.S. residential neighborhoods into unique market segments based on socioeconomic and demographic characteristics. The first segment for the Lewisville-Clemmons Area is:

Savvy Suburbanites - #1 dominant segment for this area.

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| In this area 22.8% of households fall into this segment | In the United States 3.0% of the households fall into this segment |
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Who are we?

Savvy Suburbanites residents are well educated, well read and well capitalized. Families include empty nesters and empty nester wannabes, who still have adult children at home. Located in older neighborhoods outside the urban core, their suburban lifestyle includes home remodeling and gardening plus the active pursuit of sports and exercise. They enjoy good food and wine, plus the amenities of the city's cultural events.

Our Neighborhood:

- Established neighborhoods (most built between 1970 and 1990) found in the suburban periphery of large metropolitan markets.
- Married couples with no children or older children average household size is 2.83.
- 91% owner occupied, 71% mortgaged.
- Primarily single-family homes, with a median value of \$311,000.
- Low vacancy rate at 4.5%



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Socioeconomic Traits:

- Education: 48.1% college graduates. 76.1% with some college education
- Low unemployment at 5.8%, higher labor force participation rate at 68.5% with proportionately more two-worker households at 65.4%
- Well-connected consumers that appreciate technology and make liberal use of it for everything from shopping and banking to staying current and communicating.
- Informed shoppers that do their research prior to purchasing and focus on quality.

Market Profile:

- Residents prefer late model, family-oriented vehicles: SUV's, minivans and station wagons.
- Gardening and home remodeling are priorities usually DIY, Riding mowers and power tools are popular, although they also hire contractors for heavy lifting.
- There is extensive use of housekeeping and personal care services.
- Foodies: They like to cook and prefer natural or organic products.
- These investors are financially active, using a number of resources for informed investing. They are not afraid of debt; many households carry first and second mortgages, plus home equity credit lines.
- Physically fit, residents actively pursue a number of sports, from skiing to golf, and invest heavily in sports gear and exercise equipment.
- Source: RPR and Eris, June 2015

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Next Month: The "In Style" segment

Residential Real Estate:

- New listings (supply indicator) were level for the January-April period of 2015 versus 2014. The stability of new listings in the face of increasing sales activity help to eliminate the oversupply.
- MLS shows a total of 4,056 active listings and a monthly sales rate of 590/month.
- An important indicator of market strength, "the percentage of sales to the number of new listings" ratio, stands at 48.6% for the first four months of 2015. This is up slightly from 47.8% for the same period in 2014 and up from 45.1% over 2013.

Source: Michael S. Clapp, MAI, CRE – Michael Clapp & Associates

Commercial Real Estate:

- Why is 2015 expected to be a strong year for commercial Real Estate?
 - "As economic factors continue improving- employment, consumer confidence and spending, business investments – commercial real estate fundamentals strengthen. Net absorption is expected to increase across all property types in 2015, as demand for commercial space grows. Completions of new commercial spaces are also growing, but at a slower pace than absorption, leading to declines in availability and rising rents.
Source: NAR "Translating the market outlook"